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202-616-2885 (v)  
202-307-0054 (f)  
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IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEVADA

UNITED STATES OF AMERICA,

Plaintiff,

v.

JEFFREY A. MARTINEZ, individually,  
and as Trustee of the Martinez Family Trust;  
DOLORES M. MARTINEZ, individually and  
as Trustee for the Martinez Family Trust;  
THE MARTINEZ FAMILY TRUST;  
MARTINEZ & ASSOCIATES, INC.  
(NV20041370692); MARTINEZ &  
ASSOCIATES INC. (NV20181033912);  
SIERRA MORTGAGE CORPORATION;  
FIDELITY NATIONAL TITLE; CHASE  
MORTGAGE COMPANY; JP MORGAN  
CHASE BANK NATIONAL  
ASSOCIATION; RHODES RANCH  
ASSOCIATION; and REPUBLIC SILVER  
STATE INC., DBA, REPUBLIC  
SERVICES,

Defendants.

Case No.: 2:19-cv-1986-GMN-DJA

**UNITED STATES' MOTION TO  
ALLOW DEFENDANTS  
JEFFREY A. AND DOLORES  
MARTINEZ (INDIVIDUALLY AND  
AS TRUSTEES FOR THE  
MARTINEZ FAMILY TRUST),  
MARTINEZ & ASSOCIATES, INC.  
(NV20041370692), AND MARTINEZ  
& ASSOCIATES INC.  
(NV20181033912) 30 DAYS TO  
RESPOND TO THE COMPLAINT,  
IF A SETTLEMENT IS NOT  
REACHED**

**(SEVENTH REQUEST)**

1 The United States of America has made six requests for limited stays to facilitate  
2 settlement discussions with taxpayers Jeffrey and Dolores Martinez. The last stay will end on  
3 October 29, 2020. (*See* ECF No. 42 at 5). It had previously become clear that settlement would  
4 be unlikely unless the Martinezes submitted certain tax returns for themselves and their business  
5 that are not at issue in the suit, but that were delinquent. The Martinezes have now submitted the  
6 missing returns, and the government is reviewing them. Neither the Martinezes nor their  
7 businesses have answered the complaint, but, in light of the cooperation, the United States did  
8 not seek an entry of default against any of them.

9 The United States regrets having to seek a further extension. However, one of the two  
10 IRS employees initially assigned to the matter transferred to a new, permanent position, and the  
11 other has been serving in a temporary new assignment. As a result, it has taken longer than  
12 expected for the IRS to review the returns, assess the Martinezes' current ability to pay, and  
13 determine whether the settlement offer on the table is appropriate. The United States therefore  
14 asks that the Court allow an additional 30 days to finalize a settlement, or for the Martinezes  
15 respond to the complaint if settlement cannot be reached in that time.

## 16 MEMORANDUM OF POINTS AND AUTHORITIES

### 17 *Background*

18 This is a federal tax case. The United States seeks a judgment against taxpayers Jeffrey  
19 and Dolores Martinez, and against two corporations associated with them, for various federal tax  
20 liabilities. The United States also seeks to foreclose its tax liens against certain real property to  
21 help satisfy the judgment. The property is putatively held in a trust.

22 The United States also named as defendants other parties that might assert a lien or other  
23 claim against the property, pursuant to 26 U.S.C. § 7403(b) ("Action to enforce lien or to subject  
24 property to payment of tax"). That way, those parties' claims to the property (if any) could be  
25 adjudicated if and when the Court determines that the property should be foreclosed. It is

1 common in such cases for the United States to reach stipulations with other claimants as to lien  
2 priority, to the extent they do not disclaim any interest.

3 If the matter settles without a foreclosure, the other lienholders would not need to be paid  
4 out. In any event, to date only one of the potential lienholders, the Rhodes Ranch Association,  
5 has answered the complaint. (ECF No. 4).<sup>1</sup> Another, Fidelity National Title, has disclaimed any  
6 interest. (*See* ECF No. 7). Defendants JP Morgan Chase Bank National Association and Chase  
7 Bank National Association (together, the “Chase defendants”), and the United States have  
8 reached a stipulation concerning lien priority as between them. (*See* ECF No. 20 (Order  
9 approving stipulation)). (The Chase defendants currently control the mortgage loan that was  
10 initially issued by defendant Sierra Mortgage Corporation). Defendant Republic Silver State Inc.  
11 has been served but has not yet appeared, and has not contacted the United States. Finally, the  
12 United States filed a notice of dismissal concerning defendants Nevada Mortgage Assistance  
13 Company and the Cooper Castle Law firm, and the Clerk has terminated them from the case.

14 The litigation would therefore focus on the Martinezes and their business. Neither of the  
15 Martinezes, or the corporations, have appeared. The United States served the Martinezes,  
16 individually and as representatives of their business, on December 27, 2019. Their time to  
17 respond to the complaint thus expired on January 17, 2020, under Fed. R. Civ. P. 12(a)(1)(A)(i).

18 Ordinarily the United States would be moving for an entry of default and a default  
19 judgment. However, the Martinezes have reached out to the undersigned counsel, and the parties  
20 are discussing a possible settlement. The Martinezes made a formal offer and provided certain  
21 financial information that the United States had requested. However, it became clear that the  
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24 <sup>1</sup> The United States reached out to counsel for Rhodes Ranch by e-mail twice and by telephone,  
25 starting on October 27, 2020, to discuss this motion, but has not heard back. Though the United  
States was unable to determine its position on this particular request, Rhodes Ranch has not  
objected to stays in the past.

1 United States cannot properly evaluate the offer, including the Martinezes' ability to pay, unless  
2 and until the Martinezes submit certain tax returns that were outstanding.

3 It is important that the Martinezes come into compliance with their tax reporting  
4 obligations. The Martinezes have now submitted the missing returns. Their submission of the  
5 missing returns is an important consideration in evaluating their settlement offer. However, the  
6 Martinezes' income and current ability to pay are also important to reaching an appropriate  
7 resolution. Unfortunately, one of the IRS employees initially assigned to the matter transferred  
8 to another role, and the other has been serving in a different role temporarily and had limited  
9 availability. As a result, it has taken longer to evaluate these issues than the undersigned  
10 anticipated. Because the delay was because of IRS availability, and not any failure to cooperate  
11 on the Martinezes' part, the United States did not seek a default against them during the last 30  
12 day period.

13 The United States is prepared to proceed with active litigation, including seeking entries  
14 of default, if the Court denies this request. However, the United States submits that allowing an  
15 additional 30 days for the Martinezes to reach a settlement or answer the complaint may  
16 facilitate the potential resolution of this case without need for judicial intervention, and may  
17 conserve both the parties' and the Court's resources. Under the circumstances, and given the  
18 Martinezes' willingness to participate in the discussions and submit missing returns, the United  
19 States continues to believe that the parties' efforts are best focused on the preparation and review  
20 of outstanding returns, and in exploring a resolution.

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***Request for Relief***

WHEREFORE, United States respectfully asks that the Court allow 30 days for the parties to reach a resolution, or for the Martinezes and their businesses to respond to the complaint if a resolution is not reached. The United States reserves the right to seek an entry of default or default judgment after 30 days if the negotiations do not resolve the matter.


Dated this 29th day of October, 2020.

RICHARD E. ZUCKERMAN  
Principal Deputy Assistant Attorney General

/s/ E. Carmen Ramirez  
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IT IS SO ORDERED.

Dated this 29 day of October, 2020.

  
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Gloria M. Navarro, District Judge  
UNITED STATES DISTRICT COURT

**CERTIFICATE OF SERVICE**

IT IS HEREBY CERTIFIED that service of the foregoing is made this October 29, 2020, via the Court's ECF system to all current parties who have appeared electronically. In an abundance of caution, the United States is sending this motion to the persons listed below, via U.S. Mail. Due to in-office staffing limitations related to the Covid-19 pandemic, the mailing may take two business days to send.

Jeffrey Martinez  
262 Cliff Valley Dr.  
Las Vegas, NV 89148

Dolores Martinez  
262 Cliff Valley Dr.  
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/s/ E. Carmen Ramirez  
E. CARMEN RAMIREZ  
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